

ASSEMBLY BILL

No. 1150

Introduced by Assembly Member Maldonado

February 21, 2003

An act to amend Sections 14021.4, 14087.23, and 14684 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 1150, as introduced, Maldonado. Medi-Cal: provider reimbursement.

Existing law authorizes the board of supervisors of each county to maintain in the county hospital or in any other hospital or psychiatric health facility situated within or without the county, suitable facilities and nonhospital or hospital service for the detention, supervision, care, and treatment of persons who are mentally disordered, developmentally disabled, or who are alleged to be such.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services, pursuant to which medical benefits are provided to public assistance recipients and certain other low-income persons.

Existing law states the intent of the Legislature, consistent with services offered to persons who are mentally ill under the Medi-Cal program, for the State Department of Mental Health, working collaboratively with the department, to include care and treatment of persons with mental disorders who are eligible for the Medi-Cal program in facilities with a bed capacity of 16 beds or less.

This bill would provide for the care and treatment of persons with mental disorders who are eligible for the Medi-Cal program in a county

psychiatric health facility in San Luis Obispo County, regardless of the bed capacity, to the extent permitted by federal law.

Existing law authorizes the department to contract with various types of health care providers and entities in order to obtain Medi-Cal services through managed care arrangements as well as other health care providers under specified circumstances.

Existing law requires that any county-operated community clinic, as defined, shall be reimbursed, subject to reductions in a certain situation, for Medi-Cal services using the same methodology used for reimbursement of a licensed surgical center, to the extent federal financial participation is available.

This bill would apply the above provisions to a county-operated community clinic in San Luis Obispo County.

This bill would make legislative findings and declarations regarding the need for special legislation.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 14021.4 of the Welfare and Institutions
- 2 Code is amended to read:
- 3 14021.4. (a) The State Department of Mental Health shall
- 4 prepare by January 15, 1991, amendments to California's plan for
- 5 federal Medi-Cal grants for medical assistance programs, pursuant
- 6 to Subchapter XIX (commencing with Section 1396) of Title 42
- 7 of the United States Code, to accomplish the following objectives:
- 8 (1) Expansion of the location and type of therapeutic services
- 9 offered to the mentally ill under Medi-Cal by the category of
- 10 "other diagnostic, screening, preventative, and rehabilitative
- 11 services" which is available to states under the Social Security Act
- 12 (42 U.S.C. Sec. 1396d(a)(13); 42 C.F.R. 440.130).
- 13 (2) Expansion of federal financial participation in the costs of
- 14 community mental health services provided by local Short-Doyle
- 15 community mental health programs or under contract to local
- 16 Short-Doyle community mental health programs.
- 17 (3) Expansion of the location where reimbursable Short-Doyle
- 18 Medi-Cal mental health services can be provided, including home,
- 19 school, and community based sites.



1 (4) Expansion of federal financial participation for services
2 which meet the rehabilitation needs of severely mentally ill
3 consumers, including, but not limited to, medication management,
4 functional rehabilitation assessments of clients, and rehabilitative
5 services which include remedial services directed at restoration to
6 the highest possible functional level for persons with psychiatric
7 disabilities and maximum reduction of symptoms of mental
8 illness.

9 (5) Improvement of fiscal systems and accountability
10 structures for Short-Doyle Medi-Cal and Short-Doyle costs and
11 rates, with the goal of achieving federal fiscal requirements.

12 (b) This Short-Doyle Medi-Cal state plan revision shall be
13 completed with review and comments by the California
14 Conference of Local Mental Health Directors and other
15 appropriate groups. The addition of the rehabilitative option shall
16 be limited to Short-Doyle providers certified to provide Medi-Cal
17 under this option.

18 (c) The State Department of Health Services shall review the
19 state plan revision for medicaid services as recommended by the
20 State Department of Mental Health. If the state plan amendment
21 satisfies published federal requirements for these amendments and
22 if the State Department of Health Services has approved and
23 submitted to the Health Care Financing Administration a plan of
24 correction for audit issues identified for the Short-Doyle Medi-Cal
25 program, then the department shall promptly pursue federal
26 adoption of the state plan revision. If the State Department of
27 Health Services does not recommend adoption of the revision, it
28 shall report on the financial and programmatic implications of the
29 proposal and the reasons for the rejection to the Joint Legislative
30 Budget Committee by July 1, 1991.

31 (d) The state and local funds required to match federal financial
32 participation shall include, but not be limited to, Short-Doyle and
33 county matching funds. Additional General Fund moneys for this
34 purpose shall be subject to appropriation in the annual Budget Act.

35 (e) It is the intent of the Legislature that the rehabilitation
36 option of the state medicaid plan be implemented to expand and
37 provide flexibility to treatment services and to increase the federal
38 participation without increasing the costs to the General Fund.

39 (f) It is the intent of the Legislature that addition of the
40 rehabilitation option as a Short-Doyle Medi-Cal benefit shall

1 become operative only after the Health Care Financing
2 Administration has reviewed and approved the state plan revision
3 submitted by the State Department of Health Services, a plan of
4 correction approved by the department for audit issues identified
5 for the Short-Doyle Medi-Cal program has been submitted, and
6 the requirements of this section have been fully satisfied.

7 (g) If the Medi-Cal state plan revision required by this section
8 is approved by the State Department of Health Services, and
9 submitted for federal approval, the State Department of Mental
10 Health shall review and revise the quality assurance standards and
11 guidelines required by Article 5 (commencing with Section 4070)
12 of Chapter 2 of Division 4 to meet the necessary standards to assure
13 that quality services are delivered to the eligible population. This
14 review shall include, but not be limited to, appropriate use of
15 mental health professionals, including psychiatrists, in the
16 treatment and rehabilitation of clients under this model. The
17 existing quality assurance standards and guidelines shall remain in
18 effect until the adoption of the new quality assurance standards and
19 guidelines.

20 (h) Consistent with services offered to persons who are
21 mentally ill under the Medi-Cal program, as required by this
22 section, it is the intent of the Legislature for the State Department
23 of Mental Health, working collaboratively with the department, to
24 include care and treatment of persons with mental disorders who
25 are eligible for the Medi-Cal program in facilities with a bed
26 capacity of 16 beds or less, *and in a county-operated psychiatric*
27 *health facility in San Luis Obispo County to the extent permitted*
28 *by federal law.*

29 SEC. 2. Section 14087.23 of the Welfare and Institutions
30 Code is amended to read:

31 14087.23. (a) Notwithstanding any other provision of law,
32 and except as provided in subdivision (b), a county-operated
33 community clinic, exempt from licensure under Section 1206 of
34 the Health and Safety Code, ~~which~~ *that* is operated by *San Luis*
35 *Obispo County or a county which that*, on or before November 30,
36 1997, ceased to operate a county-operated hospital with an
37 outpatient department, shall be reimbursed for Medi-Cal services
38 using the same methodology used for reimbursement of a licensed
39 surgical center, to the extent federal financial participation is
40 available.

(b) Providers that are independently billing for physician services provided in clinics described in subdivision (a) shall be subject to the reduction in reimbursement consistent with physician services provided in an outpatient hospital department.

SEC. 3. Section 14684 of the Welfare and Institutions Code is amended to read:

14684. Notwithstanding any other provision of state law, and to the extent permitted by federal law, mental health plans, whether administered by public or private entities, shall be governed by the following guidelines:

(a) State and federal Medi-Cal funds identified for the diagnosis and treatment of mental disorders shall be used solely for those purposes. Administrative costs shall be clearly identified and shall be limited to reasonable amounts in relation to the scope of services and the total funds available. Administrative requirements shall not impose costs exceeding funds available for that purpose.

(b) The development of the mental health plan shall include a public planning process that includes a significant role for Medi-Cal beneficiaries, family members, mental health advocates, providers, and public and private contract agencies.

(c) The mental health plan shall include appropriate standards relating to quality, access, and coordination of services within a managed system of care, and costs established under the plan, and shall provide opportunities for existing Medi-Cal providers to continue to provide services under the mental health plan, as long as the providers meet those standards.

(d) Continuity of care for current recipients of services shall be ensured in the transition to managed mental health care.

(e) (1) Medi-Cal covered mental health services shall be provided in the beneficiary's home community, or as close as possible to the beneficiary's home community. Pursuant to the objectives of the rehabilitation option described in subdivision (a) of Section 14021.4, mental health services may be provided in a facility, a home, or other community-based site.

(2) *To the extent permitted by federal law for federal financial participation, Medi-Cal covered mental health services may be provided in a county-operated psychiatric health facility in San Luis Obispo County without regard to the bed capacity of the facility.*

1 (f) Medi-Cal beneficiaries whose mental or emotional
2 condition results or has resulted in functional impairment, as
3 defined by the department, shall be eligible for covered mental
4 health services. Emphasis shall be placed on adults with serious
5 and persistent mental illness and children with serious emotional
6 disturbances, as defined by the department.

7 (g) Each mental health plan shall include a mechanism for
8 monitoring the effectiveness of, and evaluating accessibility and
9 quality of, services available. The plan shall utilize and be based
10 upon state-adopted performance outcome measures and shall
11 include review of individual service plan procedures and practices,
12 a beneficiary satisfaction component, and a grievance system for
13 beneficiaries and providers.

14 (h) Each mental health plan shall provide for culturally
15 competent and age-appropriate services, to the extent feasible. The
16 mental health plan shall assess the cultural competency needs of
17 the program. The mental health plan shall include, as part of the
18 quality assurance program required by Section 4070, a process to
19 accommodate the significant needs with reasonable timeliness.
20 The department shall provide demographic data and technical
21 assistance. Performance outcome measures shall include a reliable
22 method of measuring and reporting the extent to which services are
23 culturally competent and age-appropriate.

24 SEC. 4. Due to the unique circumstances concerning clinics
25 in San Luis Obispo County, the Legislature finds and declares that
26 a general statute cannot be made applicable within the meaning of
27 Section 16 of Article IV of the Constitution. Therefore, this act is
28 necessarily applicable only to clinics in San Luis Obispo County.

